

# PERAC AUDIT REPORT



## Framingham Contributory Retirement System



JAN. 1, 2012 - DEC. 31, 2015





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# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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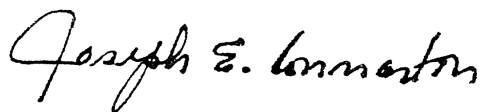
May 10, 2017

The Public Employee Retirement Administration Commission has completed an examination of the Framingham Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2012 to December 31, 2015. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report.

In closing, I acknowledge the work of examiners Scott Henderson and Elaine Pursley who conducted this examination, and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton  
Executive Director





# EXPLANATION OF FINDINGS AND RECOMMENDATIONS

## **I. Member Deductions:**

There are two pay types, car allowance and sick time incentive, that are included in wages and eligible for retirement but should not be. Car allowances are specifically stated as not being “wages” in 840 CMR 15.03 3(f). The “sick time incentive” is a bonus paid when no sick time is used in a fiscal year, and bonuses are also excluded from “wages” by 840 CMR 15.03 3(f).

The member deductions at the Metrowest Regional Transit (MRT) are calculated on a spreadsheet bi-weekly and entered manually into the payroll system for payment. The MRT did not take the proper deductions after certain members’ salaries had changed. Additionally, reports issued to the Board did not match the actual deductions from those employees.

**Recommendation:** The town and school payroll departments should be instructed to stop withholding deductions on the two incorrect pay types. The Board should refund any deductions received in error. The Board should discuss with its legal counsel the impact on retirees who have realized this benefit.

The MRT should be instructed to review payroll each payroll cycle to ensure the accuracy of the deductions entered manually.

## **Board Responses:**

The Board has instructed the employer to adjust its pay codes, and refunds to the impacted members have been processed.

## **2. New Retirees:**

A review of recent retirees revealed 2 retirees who were being underpaid as of the time of the audit field work. One retiree is due more than 3 years of an increased benefit due to a retroactive contract settlement. The second retiree is due the difference between a superannuation Option C and an accidental death for a period of almost one year, which resulted in approximately \$15,000 owed to the beneficiary.

A third retiree had an incorrect beneficiary date of birth. Since this retiree chose Option C, the wrong actuarial factor was used to calculate the benefit.

**Recommendation:** The members’ retirement benefits should be adjusted immediately and the amount owed should be paid with interest pursuant to *Herrick v. Essex Regional Retirement Board*. See PERAC Memo #32/2013 for more information.

## **Board Response:**

The retirement allowances of the two new retirees have been adjusted with interest paid pursuant to the Board’s supplementary regulation. With reference to the third retiree, the Board has confirmed the beneficiary’s date of birth.

## EXPLANATION OF FINDINGS AND RECOMMENDATIONS (Continued)

### **3. Monthly Financial Reporting:**

The only financial information that the Board members see is a monthly PRIT statement. They do not see any accounting or cash reconciliations.

**Recommendation:** The Retirement Board members should be provided with a current financial packet each month.

The Board administrator should prepare a financial packet consisting of the following items:

- Cash reconciliation including bank statements
- Trial Balance
- Cash Receipts
- Cash Disbursements
- Adjusting Journal Entries
- Budget to Actual Expense Comparison (if not monthly, quarterly)
- Cash Flow Forecast

This process will assist the Retirement Board members in the exercise of their fiduciary responsibilities. The distribution of additional financial data will provide a basis for formalizing the supervision of the system by the Retirement Board. It will also help to determine that the Board policy is implemented and adhered to. A notation should be made in the minutes indicating which documents have been presented to the Retirement Board.

### **Board Response:**

While the Board reviews warrants and other financial information at its monthly meetings, the Board will now be provided a complete and current financial packet prior to each meeting, which will be noted in the Board's minutes.

### **4. Minutes:**

For the 12 month period December 2013 through November 2014, the only monthly meetings with minutes are February and March 2014.

Minutes do not exist for executive sessions in July 2013, February and March 2014, and June 2015. It is not known if there were additional executive sessions in the ten months with no open session minutes.

**Recommendation:** All reasonable measures should be taken to produce minutes for these months.

### **Board Response:**

All executive session minutes are complete and approved. The remaining regular session minutes will be completed, reviewed and approved by the Board prior to PERAC's follow-up review.

### **FINAL DETERMINATION:**

***PERAC Audit staff will follow up in six (6) months to ensure appropriate actions have been taken regarding all findings.***



# STATEMENT OF LEDGER ASSETS AND LIABILITIES

AS OF DECEMBER 31,				
	2015	2014	2013	2012
<b>Net Assets Available For Benefits:</b>				
Cash	\$2,339,537	\$9,480,447	\$202,781	\$294,102
PRIT Cash Fund	731	2,100,238	1,014,164	965,244
PRIT Core Fund	255,277,569	247,837,495	242,598,940	213,689,916
Prepaid Expenses	72,898	100,000	0	0
Accounts Receivable	113,879	569,534	112	0
Accounts Payable	(10,367)	(960,389)	0	(3,623)
<b>Total</b>	<u>\$257,794,247</u>	<u>\$259,127,325</u>	<u>\$243,815,997</u>	<u>\$214,945,639</u>
<b>Fund Balances:</b>				
Annuity Savings Fund	\$62,022,929	\$60,060,510	\$58,849,930	\$57,799,868
Annuity Reserve Fund	17,715,392	16,655,534	15,157,572	13,962,504
Pension Fund	3,501,061	4,577,170	5,430,425	1,284,793
Military Service Fund	4,993	4,988	4,983	4,978
Expense Fund	0	0	0	0
Pension Reserve Fund	<u>174,549,872</u>	<u>177,829,123</u>	<u>164,373,087</u>	<u>141,893,496</u>
<b>Total</b>	<u>\$257,794,247</u>	<u>\$259,127,325</u>	<u>\$243,815,997</u>	<u>\$214,945,639</u>

## STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2012)	\$54,352,847	\$14,806,894	\$4,922,132	\$4,973	\$0	\$117,140,224	\$191,227,070
Receipts	5,854,644	429,094	12,485,836	5	1,426,563	24,622,365	44,818,507
Interfund Transfers	(1,622,036)	1,491,129	0	0	0	130,907	0
Disbursements	(785,587)	(2,764,613)	(16,123,175)	0	(1,426,563)	0	(21,099,938)
Ending Balance (2012)	57,799,868	13,962,504	1,284,793	4,978	0	141,893,496	214,945,639
Receipts	6,501,019	414,662	12,475,061	5	1,598,717	30,619,967	51,609,431
Interfund Transfers	(3,625,914)	3,654,700	8,111,590	0	0	(8,140,376)	0
Disbursements	(1,825,043)	(2,874,294)	(16,441,019)	0	(1,598,717)	0	(22,739,073)
Ending Balance (2013)	58,849,930	15,157,572	5,430,425	4,983	0	164,373,087	243,815,997
Receipts	6,653,583	488,797	13,431,935	5	1,658,966	17,339,781	39,573,067
Interfund Transfers	(4,212,899)	4,218,578	3,878,066	0	0	(3,883,745)	0
Disbursements	(1,230,104)	(3,209,413)	(18,163,256)	0	(1,658,966)	0	(24,261,739)
Ending Balance (2014)	60,060,510	16,655,534	4,577,170	4,988	0	177,829,123	259,127,325
Receipts	7,348,337	507,408	13,915,876	5	1,647,809	596,186	24,015,621
Interfund Transfers	(3,970,024)	3,970,957	3,874,504	0	0	(3,875,437)	0
Disbursements	(1,415,894)	(3,418,507)	(18,866,489)	0	(1,647,809)	0	(25,348,699)
Ending Balance (2015)	\$62,022,929	\$17,715,392	\$3,501,061	\$4,993	\$0	\$174,549,872	\$257,794,247

# STATEMENT OF RECEIPTS

FOR THE PERIOD ENDING DECEMBER 31,				
	2015	2014	2013	2012
<b>Annuity Savings Fund:</b>				
Members Deductions	\$6,024,301	\$5,572,294	\$5,261,713	\$5,032,248
Transfers from Other Systems	1,133,231	883,288	1,026,989	588,027
Member Make Up Payments and Re-deposits	66,405	50,250	98,269	175,020
Member Payments from Rollovers	61,554	67,701	29,279	0
Investment Income Credited to Member Accounts	<u>62,846</u>	<u>80,050</u>	<u>84,769</u>	<u>59,349</u>
Sub Total	<u>7,348,337</u>	<u>6,653,583</u>	<u>6,501,019</u>	<u>5,854,644</u>
<b>Annuity Reserve Fund:</b>				
Investment Income Credited to the Annuity Reserve Fund	<u>507,408</u>	<u>488,797</u>	<u>414,662</u>	<u>429,094</u>
<b>Pension Fund:</b>				
3 (8) (c) Reimbursements from Other Systems	663,445	854,462	339,350	698,949
Received from Commonwealth for COLA and Survivor Benefits	205,249	151,028	312,711	526,558
Pension Fund Appropriation	13,037,183	12,411,517	11,823,000	11,260,329
Settlement of Workers' Compensation Claims	9,999	14,928	0	0
Recovery of 91A Overearnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>13,915,876</u>	<u>13,431,935</u>	<u>12,475,061</u>	<u>12,485,836</u>
<b>Military Service Fund:</b>				
Investment Income Credited to the Military Service Fund	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>Expense Fund:</b>				
Investment Income Credited to the Expense Fund	<u>1,647,809</u>	<u>1,658,966</u>	<u>1,598,717</u>	<u>1,426,563</u>
<b>Pension Reserve Fund:</b>				
Federal Grant Reimbursement	66,114	58,142	70,022	55,639
Interest Not Refunded	0	7,858	4,966	0
Miscellaneous Income	5,061	8	2,724	0
Excess Investment Income	<u>525,011</u>	<u>17,273,773</u>	<u>30,542,255</u>	<u>24,566,726</u>
Sub Total	<u>596,186</u>	<u>17,339,781</u>	<u>30,619,967</u>	<u>24,622,365</u>
<b>Total Receipts, Net</b>	<u>\$24,015,621</u>	<u>\$39,573,067</u>	<u>\$51,609,431</u>	<u>\$44,818,507</u>

# STATEMENT OF DISBURSEMENTS

		FOR THE PERIOD ENDING DECEMBER 31,			
		2015	2014	2013	2012
<b>Annuity Savings Fund:</b>					
Refunds to Members		\$216,674	\$310,395	\$465,119	\$462,827
Transfers to Other Systems		<u>1,199,220</u>	<u>919,709</u>	<u>1,359,924</u>	<u>322,760</u>
Sub Total		<u>1,415,894</u>	<u>1,230,104</u>	<u>1,825,043</u>	<u>785,587</u>
<b>Annuity Reserve Fund:</b>					
Annuities Paid		3,418,507	3,187,797	2,874,294	2,721,445
Option B Refunds		<u>0</u>	<u>21,616</u>	<u>0</u>	<u>43,168</u>
Sub Total		<u>3,418,507</u>	<u>3,209,413</u>	<u>2,874,294</u>	<u>2,764,613</u>
<b>Pension Fund:</b>					
Pensions Paid:					
Regular Pension Payments		13,488,143	12,782,844	12,080,590	11,718,294
Survivorship Payments		851,110	873,600	800,735	818,322
Ordinary Disability Payments		180,382	197,549	205,104	224,792
Accidental Disability Payments		2,133,573	2,143,135	2,010,287	2,026,018
Accidental Death Payments		823,440	786,964	668,857	799,471
Section 101 Benefits		66,393	67,027	68,455	64,707
3 (B) (c) Reimbursements to Other Systems		1,122,629	1,116,322	372,305	471,571
State Reimbursable COLA's Paid		<u>200,819</u>	<u>195,815</u>	<u>234,686</u>	<u>0</u>
Sub Total		<u>18,866,489</u>	<u>18,163,256</u>	<u>16,441,019</u>	<u>16,123,175</u>
<b>Expense Fund:</b>					
Salaries		229,754	243,688	220,464	196,710
Legal Expenses		14,212	42,501	8,209	20,923
Travel Expenses		7,076	4,066	3,568	4,220
Administrative Expenses		24,478	17,683	44,154	45,074
Education and Training		181	540	1,575	1,890
Furniture and Equipment		11,184	1,065	5,664	40,968
Management Fees		1,320,812	1,308,268	1,273,535	1,074,351
Service Contracts		26,848	25,666	26,800	27,700
Fiduciary Insurance		<u>13,264</u>	<u>15,489</u>	<u>14,748</u>	<u>14,727</u>
Sub Total		<u>1,647,809</u>	<u>1,658,966</u>	<u>1,598,717</u>	<u>1,426,563</u>
<b>Total Disbursements</b>		<u>\$25,348,699</u>	<u>\$24,261,739</u>	<u>\$22,739,073</u>	<u>\$21,099,938</u>

# INVESTMENT INCOME

FOR THE PERIOD ENDING DECEMBER 31,				
	2015	2014	2013	2012
<b>Investment Income Received From:</b>				
Cash	\$13,179	\$14,944	\$5,143	\$6,473
Pooled or Mutual Funds	<u>6,714,802</u>	<u>7,004,049</u>	<u>6,636,229</u>	<u>6,401,792</u>
<b>Total Investment Income</b>	<u>6,727,981</u>	<u>7,018,993</u>	<u>6,641,372</u>	<u>6,408,265</u>
<b>Plus:</b>				
Realized Gains	9,342,609	11,106,467	10,684,938	5,192,734
Unrealized Gains	<u>13,336,625</u>	<u>16,062,256</u>	<u>27,564,568</u>	<u>27,099,364</u>
Sub Total	<u>22,679,234</u>	<u>27,168,723</u>	<u>38,249,506</u>	<u>32,292,098</u>
<b>Less:</b>				
Realized Loss	(123,843)	0	0	0
Unrealized Loss	<u>(26,540,293)</u>	<u>(14,686,125)</u>	<u>(12,250,470)</u>	<u>(12,218,626)</u>
Sub Total	<u>(26,664,136)</u>	<u>(14,686,125)</u>	<u>(12,250,470)</u>	<u>(12,218,626)</u>
<b>Net Investment Income</b>	<u>2,743,079</u>	<u>19,501,591</u>	<u>32,640,408</u>	<u>26,481,737</u>
<b>Income Required:</b>				
Annuity Savings Fund	62,846	80,050	84,769	59,349
Annuity Reserve Fund	507,408	488,797	414,662	429,094
Military Service Fund	5	5	5	5
Expense Fund	<u>1,647,809</u>	<u>1,658,966</u>	<u>1,598,717</u>	<u>1,426,563</u>
<b>Total Income Required</b>	<u>2,218,068</u>	<u>2,227,818</u>	<u>2,098,153</u>	<u>1,915,011</u>
Net Investment Income	<u>2,743,079</u>	<u>19,501,591</u>	<u>32,640,408</u>	<u>26,481,737</u>
Less: Total Income Required	<u>2,218,068</u>	<u>2,227,818</u>	<u>2,098,153</u>	<u>1,915,011</u>
<b>Excess Income (Loss) To The Pension Reserve Fund</b>	<u>\$525,011</u>	<u>\$17,273,773</u>	<u>\$30,542,255</u>	<u>\$24,566,726</u>

## SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(Percentages by category)

AS OF DECEMBER 31, 2015		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$2,339,537	0.9%
PRIT Cash Fund	731	0.0%
PRIT Core Fund	<u>255,277,569</u>	<u>99.1%</u>
<b>Grand Total</b>	<b>\$257,617,837</b>	<b><u>100.0%</u></b>

For the year ending December 31, 2015, the rate of return for the investments of the Framingham Retirement System was 1.13%. For the five-year period ending December 31, 2015, the rate of return for the investments of the Framingham Retirement System averaged 7.56%. For the thirty one-year period ending December 31, 2015, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the Framingham Retirement System was 9.23%.

The composite rate of return for all retirement systems for the year ending December 31, 2015 was 0.91%. For the five-year period ending December 31, 2015, the composite rate of return for the investments of all retirement systems averaged 7.49%. For the thirty one-year period ending December 31, 2015, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.14%.

## SUPPLEMENTARY INVESTMENT REGULATIONS

The Framingham Retirement System voted on April 29, 2002 to invest all of the system's assets with the PRIT fund as of May 31, 2002. As a result of that motion, the supplemental investment regulations submitted and previously approved by the Public Employee Retirement Administration Commission were effectively rescinded.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 1 – SUMMARY OF PLAN PROVISIONS

The plan is a contributory defined benefit plan covering all Framingham Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

### ADMINISTRATION

There are 104 contributory retirement systems for public employees in Massachusetts. Each system is governed by a retirement board and all boards, although operating independently, are governed by Chapter 32 of the Massachusetts General Laws. This law in general provides uniform benefits, uniform contribution requirements and a uniform accounting and funds structure for all systems.

### PARTICIPATION

Participation is mandatory for all full-time employees. Eligibility with respect to part-time, provisional, temporary, seasonal or intermittent employment is governed by regulations promulgated by the retirement board, and approved by PERAC. Membership is optional for certain elected officials.

There are 4 classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the State Police. The other 3 classes are as follows:

#### **Group 1:**

General employees, including clerical, administrative, technical and all other employees not otherwise classified.

#### **Group 2:**

Certain specified hazardous duty positions.

#### **Group 4:**

Police officers, firefighters, and other specified hazardous positions.



## NOTES TO FINANCIAL STATEMENTS (Continued)

### MEMBER CONTRIBUTIONS

Member contributions vary depending on the most recent date of membership:

Prior to 1975:	5% of regular compensation
1975 - 1983:	7% of regular compensation
1984 to 6/30/96:	8% of regular compensation
7/1/96 to present:	9% of regular compensation
1979 to present:	an additional 2% of regular compensation in excess of \$30,000.

In addition, members of Group 1 who join the system on or after April 2, 2012 will have their withholding rate reduced to 6% after achieving 30 years of creditable service.

### RATE OF INTEREST

Interest on regular deductions made after January 1, 1984 is a rate established by PERAC in consultation with the Commissioner of Banks. The rate is obtained from the average rates paid on individual savings accounts by a representative sample of at least 10 financial institutions.

### RETIREMENT AGE

The mandatory retirement age for some Group 2 and Group 4 employees is age 65. Most Group 2 and Group 4 members may remain in service after reaching age 65. Group 4 members who are employed in certain public safety positions are required to retire at age 65. There is no mandatory retirement age for employees in Group 1.

### SUPERANNUATION RETIREMENT

A person who became a member before April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- completion of 20 years of service, or
- attainment of age 55 if hired prior to 1978, or if classified in Group 4, or
- Attainment of age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 or 2.

A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- attainment of age 60 with 10 years of service if classified in Group 1, or
- attainment of age 55 with 10 years of service if classified in Group 2, or
- attainment of age 55 if classified in Group 4.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### AMOUNT OF BENEFIT

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year (or five year as discussed below) average salary. For veterans as defined in G.L. c. 32, s. 1, there is an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a) (17). In addition, regular compensation will be limited to prohibit "spiking" of a member's salary to increase the retirement benefit.

- For persons who became members prior to April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 3 consecutive years that produce the highest average, or, if greater, during the last 3 years (whether or not consecutive) preceding retirement.
- For persons who became members on or after April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 5 consecutive years that produce the highest average, or, if greater, during the last 5 years (whether or not consecutive) preceding retirement.
- The Benefit Rate varies with the member's retirement age. For persons who became members prior to April 2, 2012 the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.
- For persons who became members on or after April 2, 2012 and retire with less than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .15% reduction is applied for each year of age under the maximum age for the member's group.
- For persons who became members on or after April 2, 2012 and retire with more than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .125% reduction is applied for each year of age under the maximum age for the member's group.

### DEFERRED VESTED BENEFIT

A participant who has attained the requisite years of creditable service can elect to defer his or her retirement until a later date. Certain public safety employees cannot defer beyond age 65. All participants must begin to receive a retirement allowance or withdraw their accumulated deductions no later than April 15 of the calendar year following the year they reach age 70½.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### WITHDRAWAL OF CONTRIBUTIONS

Member contributions may be withdrawn upon termination of employment. The interest rate for employees who first become members on or after January 1, 1984 who voluntarily withdraw their contributions with less than 10 years of service will be 3%. Interest payable on all other withdrawals will be set at regular interest.

### DISABILITY RETIREMENT

The Massachusetts Retirement Plan provides 2 types of disability retirement benefits:

#### ORDINARY DISABILITY

**Eligibility:** Non-veterans who become totally and permanently disabled by reason of a non-job related condition with at least 10 years of creditable service (or 15 years creditable service in systems in which the local option contained in G.L. c. 32, s. 6(1) has not been adopted).

Veterans with ten years of creditable service who become totally and permanently disabled by reason of a non-job related condition prior to reaching “maximum age”. “Maximum age” applies only to those employees classified in Group 4 who are subject to mandatory retirement.

**Retirement Allowance:** For persons who became members prior to April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she is entitled.

For persons in Group 1 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 60. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 60, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

For persons in Group 2 and Group 4 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### ACCIDENTAL DISABILITY

**Eligibility:** Applies to members who become permanently and totally unable to perform the essential duties of the position as a result of a personal injury sustained or hazard undergone while in the performance of duties. There are no minimum age or service requirements.

**Retirement Allowance:** 72% of salary plus an annuity based on accumulated member contributions, with interest. This amount is not to exceed 100% of pay. For those who became members in service after January 1, 1988 or who have not been members in service continually since that date, the amount is limited to 75% of pay. There is an additional pension of \$846.12 per year (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 7(2) (a) (iii) has not been adopted), per child who is under 18 at the time of the member's retirement, with no age limitation if the child is mentally or physically incapacitated from earning. The additional pension may continue up to age 22 for any child who is a full time student at an accredited educational institution. For systems that have adopted Chapter 157 of the Acts of 2005, veterans as defined in G.L. c. 32, s. 1 receive an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

### ACCIDENTAL DEATH

**Eligibility:** Applies to members who die as a result of a work-related injury or if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

**Allowance:** An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of \$846.12 per year, per child (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 9(2)(d)(ii) has not been adopted), payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

The surviving spouse of a member of a police or fire department or any corrections officer who, under specific and limited circumstances detailed in the statute, suffers an accident and is killed or sustains injuries while in the performance of his duties that results in his death, may receive a pension equal to the maximum salary for the position held by the member upon his death. In addition, an eligible family member may receive a one-time payment of \$150,000.00 from the State Retirement Board. This lump sum payment is also available to the family of a public prosecutor in certain, limited circumstances.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

Effective November 7, 1996, Accidental Disability retirees were allowed to select Option C at retirement and provide a benefit for an eligible survivor. For Accidental Disability retirees prior to November 7, 1996, who could not select Option C, if the member's death is from a cause unrelated to the condition for which the member received accidental disability benefits, a surviving spouse will receive an annual allowance of \$6,000. For Systems that accept the provisions of Section 28 of Chapter 131 of the Acts of 2010, the amount of this benefit is \$9,000. For Systems that accept the provisions of Section 63 of Chapter 139 of the Acts of 2012, the amount of this benefit is \$12,000.

### DEATH IN ACTIVE SERVICE

**Allowance:** An immediate allowance equal to that which would have been payable had the member retired and selected Option C on the day before his or her death. For a member who became a member prior to April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 55 benefit rate is used. For a member classified in Group 1 who became a member on or after April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 60 benefit rate is used. If the member died after age 60, the actual age is used. For a member classified in Group 2 or Group 4, whose death occurred prior to the member's minimum superannuation retirement age, the benefit shall be calculated using an age 55 age factor. The minimum annual allowance payable to the surviving spouse of a member in service who dies with at least two years of creditable service is \$3,000 unless the retirement system has accepted the local option increasing this minimum annual allowance to \$6,000, provided that the member and the spouse were married for at least one year and living together on the member's date of death.

The surviving spouse of such a member in service receives an additional allowance equal to the sum of \$1,440 per year for the first child and \$1,080 per year for each additional child until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

### COST OF LIVING

If a system has accepted Chapter 17 of the Acts of 1997, and the Retirement Board votes to pay a cost of living increase (COLA) for that year, the percentage is determined based on the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%. Section 51 of Chapter 127 of the Acts of 1999, if accepted, allows boards to grant COLA increases greater than that determined by CPI but not to exceed 3.0%. Only a certain portion of a retiree's total allowance is subject to a COLA. The total COLA for periods from 1981 through 1996 is paid for by the Commonwealth of Massachusetts.

Under the provisions of Chapter 32, Section 103(j) inserted by Section 19 of Chapter 188 of the Acts of 2010, systems may increase the maximum base on which the COLA is calculated in multiples of \$1,000. For many years the COLA base was calculated based upon the first \$12,000 of a retiree's allowance. Now the maximum base upon which the COLA is calculated varies from system to system. Each increase in the base must be accepted by a majority vote of the Retirement Board and approved by the legislative body.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of 3 forms of payment.

**Option A:** Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

**Option B:** A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

**Option C:** A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who is has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

### ALLOCATION OF PENSION COSTS

If a member's total creditable service was partly earned by employment in more than one retirement system, the cost of the "pension portion" is allocated between the different systems pro rata based on the member's service within each retirement system. In certain circumstances, if a member received regular compensation concurrently from two or more systems on or after January 1, 2010, and was not vested in both systems as of January 1, 2010, such a pro-rata may not be undertaken. This is because such a person may receive a separate retirement allowance from each system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Public Employee Retirement Administration Commission.

Cash accounts are considered to be funds on deposit with banks and are available upon demand.

Short Term Investments are highly liquid investments that will mature within twelve months from the date of acquisition.

Investments are reported at their fair value. Securities traded on recognized exchanges are valued at the most recent sales price at year end. If no sale was reported, the mean of the bid and asked price is used when available, or the most recent bid price. Mutual, commingled and pooled funds are valued based on the net asset or unit value at year end. Real estate and alternative investments are valued based on estimates provided by the managers of those respective investments. Purchases and sales of securities are reflected on the date the trade is initiated. Realized gain or loss is largely based on the difference between the cost or the value at the prior year end and the funds realized upon liquidation. Dividend income is generally recorded when received. Interest income is recorded as earned on an accrual basis. Income from alternative investments is recorded as reported by the managing partner. Appreciation or depreciation in the value of investments consists of the unrealized gains and losses reported as the difference between the previous period and the current value.

The system makes estimates and assumptions that affect the reported values of assets and liabilities and the reported amounts added and deducted during the reporting periods. The fair value of real estate and alternative investment holdings are generally estimated in the absence of reliable exchange values. The actual funds realized upon liquidation may differ from these estimates.

The provisions of Massachusetts General Laws Chapter 32, § 23(2) generally govern the investment practices of the system. The Board primarily relies upon the investment strategy of the PRIM Board to maintain their progress toward full funding of the system. That strategy seeks to balance the exposure to common deposit and investment risks related to custody, credit concentrations, interest rate and foreign currency fluctuations.

Operating expenses include the ordinary and necessary cost of investment and professional services and the other miscellaneous administrative expenses of the system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Annuity Savings Fund is the fund in which members' contributions are deposited. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Framingham Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission:

#### **Membership:**

September 17, 2010

A. Employees of any member unit of the Framingham Retirement System who are regularly employed in a permanent position for a minimum of 20 hours per week and who earn a minimum of \$5,000 per year must become members of the System.

B. Employees of any member unit of the Framingham Retirement System who are provisional, seasonal, temporary or intermittent, and who are regularly employed in a position for a minimum of 20 hours per week for a period of six consecutive months, and who earn a minimum of \$5,000 per year, must become members of the system at the conclusion of the six-month period. Such members shall be allowed to purchase prior non-membership service.

C. Employees of any member unit of the Framingham Retirement System working fewer than 20 hours per week are ineligible for membership.

D. Employees, elected and appointed officials of any member unit of the Framingham Retirement System earning less than \$5,000 per year are ineligible for membership.

September 9, 1993:

That employees of the HUD grant "Secretaries Special Project-School Drop Out Prevention Activity Grant" be eligible for membership in the Framingham Retirement system if employed 20 hours per week and current employees shall continue their membership under this grant.

August 12, 1991:

That seasonal employees will not be eligible for membership in the retirement system.

May 16, 1991:

Membership That temporary full-time employees join the retirement system as of the date of their employment.

December 12, 1984:

Effective April 1, 1981, all new employees who are employed a minimum of 20 hours per week, must become members of the Retirement System.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### **Creditable Service:**

September 17, 2010

A. Members of the Framingham Retirement System who earn less than \$5,000 per year and who established membership prior to July 1, 2009 shall continue to be members of the system. The regular compensation of such member shall be subject to retirement withholdings, but such member shall not accrue creditable service after July 1, 2009, except that, such member who on said date was serving in an elected or appointed term of office or employment shall continue to be credited with service until the expiration of said term of office or employment, but not thereafter.

B. Members of the Framingham Retirement System shall be credited with one year of service for each year of employment of not less than 20 hours per week, or yearly proportion thereof. If the member's hours of employment fall below 20 hours per week, the member shall be credited with one-half year of creditable service, or yearly proportion thereof.

C. Creditable service may be allowed for any period of approved leave of absence without regular compensation which is not in excess of one month, upon petition to the Board by the member. Any portion of any period of continuous leave of absence of any member without regular compensation which is in excess of one month shall not be creditable service. This regulation shall apply to creditable service calculated for member buybacks, membership transfers to other Massachusetts retirement systems and retirement benefit calculations for members of the Framingham Retirement System who retire on or after the effective date of this regulation.

December 29, 1997

Full time service shall be based on the individual department's hourly requirement for full time service. Part-time service shall be based on actual hours worked that are less than the department's required full time hours, to be prorated only on the conditions listed below:

A part-time employee shall be granted one year of creditable service for each calendar or school year worked and upon retirement the allowance shall be based on their average highest consecutive three-year salary.

A full time employee who takes a part-time position in the last years, prior to retirement, shall have the part-time service prorated.

A part-time employee who takes a full time position prior to retirement shall have the part-time service prorated and the retirement allowance based on their highest consecutive 36-month salary. A part-time employee who takes a full time position in the last three years prior to retirement shall have the part-time service prorated and the retirement allowance based on the average of their highest consecutive three-year salary. Part-time employees who were never employed on a full time basis shall have a retirement allowance calculated on the basis of one year of credit for each year worked and the retirement allowance based on the average of their highest consecutive three year salary. Part-time employees who transfer their service to another municipality shall be given

## NOTES TO FINANCIAL STATEMENTS (Continued)

creditable service, prorated, based on actual service rendered. Part-time employees who take a refund and then take a position in another municipality, upon their request to repay the funds, shall be given creditable service, prorated, based on actual service rendered.

### **Veterans' Buy-Back**

September 4, 1997

All veterans, eligible under chapter 71 of the acts of 1996, shall have the following options on the purchase of their military time. Payment may be made in a lump sum or through payroll deductions for a period of up to five (5) years. Payment must be received in a lump sum prior to retirement or resignation. Veterans with a legitimate hardship in purchasing their military time through the above methods can request a hearing before the Retirement Board.

### **Buy-Backs**

December 16, 1996

A member must have worked a minimum of twenty (20) hours per week for a buyback or make up payment of non-membership service. Creditable service will be prorated as it bears against full time service.

### **Regular Compensation:**

January 16, 1996:

That the stipend paid to members of the hazardous materials response team be considered regular compensation for retirement purposes.

August 16, 1995:

That the annual stipend for superintendents shall be considered a payment in lieu of overtime compensation and therefore, not considered regular compensation for retirement purposes.

May 26, 1994:

That the \$50 safe driver award for bus drivers who have been accident free for four years not be included as regular compensation for retirement purposes. That the \$150 stipend awarded to assistant teachers and secretaries not be included as regular compensation for retirement purposes.

May 3, 1995:

The stipends being paid on a monthly basis to the Parking Commissioner and the hearing officer shall be considered regular compensation for retirement purposes.

September 29, 1993:

The Hazardous Material Training Stipend, which is 2% of the base salary and is paid once a year in December, shall be considered regular compensation for retirement purposes effective July 1, 1992. The EMT Pay and Training effective July 1, 1993, which was increased \$250 for an EMT FF in the top step and a payment of \$750 for all other EMT's be considered regular compensation for retirement purposes. The Defibrillator Training pay of \$100, which is paid annually, be considered regular compensation for retirement purposes.

## NOTES TO FINANCIAL STATEMENTS (Continued)

September 23, 1991:

That training pay which is a percentage of base pay and paid as part of a weekly salary be considered regular compensation for retirement purposes.

March 19, 1991:

That uniform allowance being paid to various departments not be considered regular compensation for retirement purposes as the board is of the opinion that these are reimbursements for expenses or necessary costs of employment.

November 23, 1987:

Educational increments paid to certain library employees shall not be considered regular compensation for retirement purposes due to the fact that it is a bonus which is not paid to everyone within the department, but only those who obtain the credits while in the employ of the Town and who are not required to have the credits for their position.

February 28, 1986:

Regular Compensation:

Merit payments are not considered regular compensation for retirement purposes but considered a bonus as this payment is not continuing in nature but a single payment over and above the normal salary due for the position.

### **Miscellaneous:**

December 29, 1997:

Birth/Marriage/Death Records: That certified Birth certificates, marriage certificates and death certificates can be shown to the Retirement Board and a photo static copy will be made for the Retirement Office to be kept in the member's folder.

### **Disability Applications:**

December 5, 1997:

All disability applicants shall be responsible for the following: Payment of all charges for obtaining the medical records

### **Record Retention:**

June 6, 1990:

That no original record from an employee or retiree folder be permitted to leave the retirement office.

### **Membership/Federal Grant Employees:**

October 28, 1987:

Those employed in a non-teaching position for a minimum of 20 hours per week under Chapter 188 shall become members of the Retirement System and that an amount equal to the future pension costs incurred because of the federal grant shall be forwarded to the Retirement System in accordance with the provisions of chapter 66I of the acts of 1983.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### **Expense Fund:**

December 12, 1984:

To maintain \$10,000 in a specified bank and to issue a check each week for any available excess funds to be forwarded to the Massachusetts Municipal Depository Trust Company until such funds are required to meet expenses.

### **Expense Fund:**

To transfer any funds necessary to meet expenses as such funds are required, from the Massachusetts Municipal Depository Trust maintain \$10,000 in a specified bank and to issue a check each week for any available excess funds to be forwarded to the Massachusetts Municipal Depository Trust Company until such funds are required to meet expenses.

### **Advance Payments:**

That the rules and regulations to implement the provisions of G.L. c. 32, § 99 shall be as follows:

- The implementation of section 99 shall be handled by the Framingham Retirement Board.
- That the advance payments shall be at the option of the retiree on an estimated basis
- That the advance payments shall not exceed 80% of the amount due.
- That the advance payments shall be paid by the Framingham Retirement system.
- That the advance payments shall be for superannuation retirements only.

### **Verification of Dependent Status:**

Each September and January, verification is required from the educational institution that a dependent over the age of eighteen is currently enrolled as a full time student, verification must be furnished of the last date he/she attended classes.

### **Correction of Errors under G.L. c. 32, s. 20(5)(c)(2)**

In all cases of correction of an underpayment or non-payment of a pension or benefit to a member or beneficiary of the Framingham Retirement System which results in a onetime retroactive payment of benefits, such payment shall include interest for such period of underpayment or non-payment at the rate annually determined for such period by the Public Employee Retirement Administration Commission pursuant to G.L. c. 32, § 22(6).

In all cases of correction of an overpayment of a pension or benefit to a member or beneficiary of the Framingham Retirement System, the amount of overpayment shall be due from the member or beneficiary, along with interest for said period of overpayment at the rate annually determined by the Public Employee Retirement Administration Commission pursuant to G. L. c. 32, § 22(6).

Pursuant to the judgment of the Supreme Judicial Court in Herrick v. Essex.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the Town Accountant who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex-officio Member:	Richard G. Howarth, Jr.	Chairman	
Appointed Member:	Mary Ellen Kelley		Term Expires: 06/30/17
Elected Member:	Peter J. Rovinelli	Vice-Chairman	Term Expires: 06/30/19
Elected Member:	Joseph A. Fonseca		Term Expires: 12/17/17
Appointed Member:	John W. White, Jr.		Term Expires: 01/15/18

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

Retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts. Fidelity insurance is the only required policy coverage under Ch. 32 §21 and §23 as well as 840 CMR 17.01. The policy is designed to cover specific intentional acts such as theft, fraud or embezzlement and also specify who commits such acts, most commonly employees of the system. This coverage reimburses the system for the losses it suffers as a result of its employees' actions. It does not insure the employees for their illegal acts. Statutorily required coverage is provided by the current fidelity insurance policy to a limit of \$1,000,000 with a \$10,000 deductible issued through Travelers Casualty and Surety Company. The system also has Fiduciary coverage to a limit of \$50,000,000 under a blanket policy issued through the Massachusetts Association of Contributory Retirement Systems.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by the Public Employee Retirement Administration Commission as of January 1, 2014.

The actuarial liability for active members was	\$158,732,142
The actuarial liability for vested terminated members was	3,075,128
The actuarial liability for non-vested terminated members was	2,965,762
The actuarial liability for retired members was	174,409,758
The total actuarial liability was	\$339,182,790
System assets as of that date were (actuarial value)	228,738,704
The unfunded actuarial liability was	<u>\$110,444,086</u>
The ratio of system's assets to total actuarial liability was	67.4%
As of that date the total covered employee payroll was	\$55,765,757

The normal cost for employees on that date was 8.8% of payroll

The normal cost for the employer was 5.0% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 7.75% per annum  
 Rate of Salary Increase: Service based table with ultimate rates of 4.25%, 4.50%, and 4.75% for groups 1,2 and 4 respectively

### SCHEDULE OF FUNDING PROGRESS AS OF JANUARY 1, 2014

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a % of Cov. Payroll ( (b-a)/c )
1/1/2014	\$228,738,704	\$339,182,790	\$110,444,086	67.4%	\$55,765,575	198.1%
1/1/2012	\$208,293,697	\$309,695,552	\$101,401,855	67.3%	\$51,901,796	195.4%
1/1/2010	\$192,218,521	\$283,866,634	\$91,648,113	67.7%	\$53,311,255	171.9%
1/1/2008	\$197,874,938	\$262,770,472	\$64,895,534	75.3%	\$48,878,418	132.8%

# NOTES TO FINANCIAL STATEMENTS (Continued)

## NOTE 6 - MEMBERSHIP EXHIBIT

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Retirement in Past Years</b>										
Superannuation	36	24	31	12	35	49	25	33	40	46
Ordinary Disability	1	0	0	3	0	0	0	0	0	0
Accidental Disability	2	1	1	3	2	1	0	4	1	1
<b>Total Retirements</b>	39	25	32	18	37	50	25	37	41	47
Total Retirees, Beneficiaries and Survivors	799	780	780	773	789	807	787	767	796	815
Total Active Members	1,317	1,201	1,115	1,085	1,070	1,010	1,120	1,130	1,151	1,205
<b>Pension Payments</b>										
Superannuation	\$9,452,046	\$9,733,330	\$9,918,275	\$10,052,672	\$10,634,737	\$11,380,872	\$11,718,294	\$12,080,590	\$12,782,844	\$13,488,143
Survivor/Beneficiary Payments	582,375	628,351	731,050	780,188	809,251	807,693	818,322	800,735	873,600	851,110
Ordinary Disability	249,712	276,381	258,924	321,615	311,384	275,193	224,792	205,104	197,549	180,382
Accidental Disability	1,930,409	1,918,965	1,914,619	2,082,332	1,972,160	1,987,619	2,026,018	2,010,287	2,143,135	2,133,573
Other	1,110,872	1,156,041	1,183,135	1,321,598	1,369,361	1,341,657	1,335,749	1,344,303	2,166,128	2,213,281
<b>Total Payments for Year</b>	<b>\$13,325,414</b>	<b>\$13,713,068</b>	<b>\$14,006,003</b>	<b>\$14,558,405</b>	<b>\$15,096,893</b>	<b>\$15,793,034</b>	<b>\$16,123,175</b>	<b>\$16,441,019</b>	<b>\$18,163,256</b>	<b>\$18,866,489</b>









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